

Mr. LAUSCHE. Will the Senator yield 2 more minutes?

Mr. ANDERSON. I yield 2 additional minutes.

Mr. LAUSCHE. It may sound vain, but I predict that we will have before the Senate and the Congress within the next 2 years bills to provide for subsidies for tungsten, for magnesium, for ceramics, and so on. If it comes to that, perhaps the Senator from Ohio will be compelled to join the program, and may ask for the subsidy of the impoverished coal mines in southeastern Ohio.

In Ohio the ceramic industry is in difficulty. It would be entitled to a subsidy. I merely make that statement to point out what lies ahead. I shall oppose the proposed subsidy for fluorspar in the same manner that I opposed the subsidy for zinc and lead. I do not know when the bill to provide for such subsidy will be brought up, but I shall object to any suspension of the rules and will object to any unanimous-consent request or proposal that is made in connection with that bill.

I am very grateful to the Senator from New Mexico for yielding to me.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 68. An act to provide for continued delivery of water under the Federal reclamation laws to lands held by husband and wife upon the death of either;

S. 1781. An act to facilitate cooperation between the Federal Government, colleges and universities, the States, and private organizations for cooperative unit programs of research and education relating to fish and wildlife, and for other purposes;

S. 1857. An act to promote the foreign trade of the United States in grapes and plums, to protect the reputation of American-grown grapes and plums in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes;

S. 2369. An act for the relief of Sachiko Kato;

S. 2388. An act relating to the separation and retirement of John R. Barker;

S. 2576. An act to authorize the addition of certain donated lands to the Everglades National Park;

S. 2711. An act to quiet title to certain lands within the Nez Perce Indian Reservation, Idaho, and for other purposes;

S. 2772. An act to authorize the Secretary of Agriculture to convey land in the town of Cascade, El Paso County, Colo.;

S. 3030. An act for the relief of Michiko (Hirai) Christopher;

S. 3053. An act for the relief of the State of Connecticut;

S. 3070. An act to provide for the removal of the restriction on use with respect to certain lands in Morton County, N. Dak., conveyed to the State of North Dakota on July 20, 1955;

S. 3160. An act to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the State of Idaho as a Territory;

S. 3264. An act to abolish the Arlington Memorial Amphitheater Commission;

S. 3532. An act to provide for the striking of medal in commemoration of Century 21 Exposition to be held in Seattle, Wash.; and

S. J. Res. 68. Joint resolution providing for the establishment of the New Jersey Tercentenary Celebration Commission to formulate and implement plans to commemorate the 300th anniversary of the State of New Jersey, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 107. An act to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the term "vessel" in such title;

S. 2830. An act to amend the Library Services Act in order to extend for 5 years the authorization for appropriations, and for other purposes; and

S. J. Res. 207. Joint resolution to suspend for the 1960 campaign the equal-opportunity requirements of section 315 of the Communications Act of 1934 for nominees for the offices of President and Vice President.

AMENDMENT OF FOREIGN SERVICE ACT OF 1946

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to S. 2633, which was passed by the Senate on September 9, 1959, and returned to the Senate by the House on August 22, 1960, with an amendment in the nature of a substitute.

The PRESIDING OFFICER (Mr. BURDICK in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2633) to amend the Foreign Service Act of 1946, as amended, and for other purposes, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Foreign Service Act Amendments of 1960".

"Sec. 2. Section 416 of the Foreign Service Act of 1946, as amended, is amended to read as follows:

"Sec. 416. (a) A person appointed as a staff officer or employee shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into account his qualifications and experience and the needs of the Service, determine to be appropriate for him to receive.

"(b) Whenever the Secretary determines that the needs of the Service warrant the appointment of staff officers or employees in a particular occupational group uniformly at a rate above the minimum rate of the applicable class, he may adjust the basic salary of any staff officer or employee in the same class and occupational group who is receiving less than such established rate."

Sec. 3. Section 417 of such Act is amended by striking out "(b)" in the first sentence.

Sec. 4. Section 431 of such Act is amended by striking out in the first sentence of paragraph (a) the phrase "the termination of time spent on authorized leave, whichever shall be later," and inserting in lieu thereof the phrase "upon termination of his service in accordance with the provisions of paragraph (b) of this section,"; and by amending paragraph (b) of this section to read as follows:

"(b) The official services of a chief of mission shall not be deemed terminated by the appointment of a successor but shall continue until he has relinquished charge of the mission and for such additional period as may be determined by the Secretary, but in no case shall such additional period exceed fifty days, including time spent in transit. During such period the Secretary may require him to render such services as he may deem necessary in the interests of the Government."

SEC. 5. Section 441 of such Act and the heading to such section are amended to read as follows:

"CLASSIFICATION OF POSITIONS IN THE FOREIGN SERVICE AND IN THE DEPARTMENT"

"SEC. 441. (a) Under such regulations as he may prescribe, and in order to facilitate effective management, the Secretary shall classify all positions in the Service at posts abroad, excluding positions to be occupied by chiefs of mission, and in the case of those occupied by Foreign Service officers, Reserve officers, and staff officers and employees, he shall establish such positions in relation to the classes established by sections 412, 414, and 415, respectively. Positions occupied by alien employees and consular agents, respectively, shall be allocated to such classes as the Secretary may establish by regulation.

"(b) Under such regulations as he may prescribe, the Secretary may, notwithstanding the provisions of the Classification Act of 1949, as amended (5 U.S.C. 1071 and the following), classify positions in or under the Department which he designates as Foreign Service officer positions to be occupied by officers and employees of the Service, and establish such positions in relation to the classes established by sections 412, 414, and 415."

SEC. 6. Section 444 of such Act and the heading to such section are amended to read as follows:

"COMPENSATION PLANS FOR ALIEN EMPLOYEES"

"SEC. 444. (a) The Secretary shall, in accordance with such regulations as he may prescribe, establish compensation plans for alien employees of the Service: *Provided*, That such compensation plans shall be based upon prevailing wage rates and compensation practices for corresponding types of positions in the locality, to the extent consistent with the public interest.

"(b) For the purpose of performing functions abroad, other Government agencies are authorized to administer alien employee programs in accordance with the applicable provisions of this Act."

SEC. 7. Title V of such Act is amended by adding at the beginning thereof the following new section:

"POLICY"

"SEC. 500. It is the policy of the Congress that chiefs of mission and Foreign Service officers appointed or assigned to serve the United States in foreign countries shall have, to the maximum practicable extent, among their qualifications, a useful knowledge of the principal language or dialect of the country in which they are to serve, and knowledge and understanding of the history, the culture, the economic and political institutions, and the interests of such country and its people."

SEC. 8. (a) The heading to section 516 of such Act is amended to read as follows: "ADMISSIONS TO CLASS 7 OR 8".

(b) Section 516 of such Act is amended by striking out "Sec. 516." and inserting in lieu thereof "Sec. 516. (a)" and by adding at the end thereof a new paragraph (b) which shall read as follows:

"(b) The Secretary may furnish the President with the names of those persons who have passed such examinations and are eligible for appointment as Foreign Service officers of class 8, whom he recommends for appointment directly to class 7 when in his

opinion, their age, experience, or other qualifications make such an appointment appropriate."

Sec. 9. (a) Section 517 of such Act is amended by striking out the words "A person who has not served in class 8" which appear at the beginning of the first sentence, and inserting in place thereof the following: "A person who has not been appointed as a Foreign Service officer in accordance with section 516 of this Act".

(b) Section 517 of such Act is further amended by striking out the second and third sentences of such section.

Sec. 10. (a) The heading to section 520 of such Act is amended by striking out the phrase "REINSTATEMENT AND RECALL" and substituting in lieu thereof the phrase "REAPPOINTMENT, RECALL, OR REEMPLOYMENT".

(b) The first sentence of paragraph (a) of section 520 of such Act is amended by inserting a period after the word "Service" where it appears for the third time, and by striking out the remainder of that sentence.

(c) Paragraph (b) of section 520 of such Act is amended to read as follows:

"(b) The Secretary may recall any retired Foreign Service officer temporarily to duty in the Service whenever he shall determine such recall is in the public interest."

(d) Section 520 of such Act is further amended by adding at the end thereof a new paragraph (c) which shall read as follows:

"(c) Notwithstanding the provisions of title 5, United States Code, section 62, and title 5, United States Code, section 715a, a Foreign Service officer heretofore or hereafter retired under the provisions of section 631 or 632 or a Foreign Service staff officer or employee hereafter retired under the provisions of section 803 shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer."

Sec. 11. Section 528 of such Act is amended by striking out in the second sentence of such section the phrase "subsection (d), section 7, of the Classification Act of 1923" and substituting in lieu thereof the phrase "the Classification Act of 1949".

Sec. 12. Section 531 of such Act is amended to read as follows:

"Sec. 531. The Secretary may, under such regulations as he may prescribe, appoint staff officers and employees on the basis of qualifications and experience. The Secretary may make provisions for temporary, limited, and such other types of appointment as he may deem necessary. He is authorized to establish appropriate probationary periods during which newly appointed staff officers or employees, other than those appointed for temporary or limited services, shall be required to serve. The Secretary may terminate at any time, without regard to the provisions of section 651 or 652, or the provisions of any other law, the services of staff officers or employees appointed for temporary or limited service and of other staff officers or employees who occupy probationary status."

Sec. 13. Section 532 of such Act is amended to read as follows:

"Sec. 532. Under such regulations as he may prescribe, the Secretary may assign a staff officer or employee to any post or he may assign him to serve in any position in which he is eligible to serve under the terms of this or any other Act. A staff officer or employee may be transferred from one post to another by order of the Secretary as the interests of the Service may require."

Sec. 14. (a) Section 571 of such Act is amended by striking out paragraphs (a), (b), (c), and (d), and the heading to such section, and inserting in lieu thereof the following:

"ASSIGNMENTS TO ANY GOVERNMENT AGENCY OR INTERNATIONAL ORGANIZATION"

"Sec. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, or in any international organization, international commission, or international body, such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years.

"(b) If a Foreign Service officer shall be appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to a position in any Government agency, any United States delegation or mission to any international organization, in any international commission, or in any international body, the period of his service in such capacity shall be construed as constituting an assignment within the meaning of paragraph (a) of this section and such person shall not, by virtue of the acceptance of such an assignment, lose his status as a Foreign Service officer. Service in such a position shall not, however, be subject to the limitations concerning the duration of an assignment contained in that paragraph.

"(c) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary and allowances of the position in which he is serving in lieu of his salary and allowances as an officer or employee of the Service. Any salary paid under the provisions of this section shall be the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII. No officer or employee of the Service who, subsequent to the date of enactment of the Foreign Service Act Amendments of 1960, is assigned to, or who, after June 30, 1961, occupies a position in the Department that is designated as a Foreign Service officer position, shall be entitled to receive a salary differential under the provisions of this paragraph."

(b) Paragraph (e) of section 571 of such Act is amended by striking the phrase "with heads of Government agencies" where it appears in the second sentence and by redesignating the paragraph as "(d)".

Sec. 15. Section 575 of such Act is amended by striking out all after the word "accordance" and inserting in lieu thereof the phrase "with the appropriate provisions of titles III and IX of Public Law 402, Eightieth Congress (62 Stat. 7 and 13; 22 U.S.C. 1451-1453, 1478 and 1479)."

Sec. 16. Title V of such Act is further amended by adding at the end thereof the following new section:

"FOREIGN LANGUAGE KNOWLEDGE PREREQUISITE TO ASSIGNMENT"

"Sec. 578. The Secretary shall determine annually the number of Foreign Service officer positions in a foreign country which shall be occupied only by an incumbent who has a useful knowledge of a language or dialect commonly used in such country. After December 31, 1963, the prescribed quota of language officers shall be maintained for each country: *Provided*, That the Secretary may make exceptions to this policy when special or emergency conditions exist. The Secretary shall establish foreign language standards for assignment abroad of officers and employees of the Service, and shall arrange for appropriate language training of such officers and employees at the Foreign Service Institute or elsewhere."

Sec. 17. Section 625 of such Act and the heading of such section are amended to read as follows:

"WITHIN-CLASS SALARY INCREASES OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS"

"Sec. 625. Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Service and who shall have been in a given class for a continuous period of nine months or more, shall, on the first day of each fiscal year, receive an increase in salary to the next higher rate for the class in which he is serving. Without regard to any other law, the Secretary is authorized to grant to any such officer additional increases in salary, within the salary range established for the class in which he is serving, based upon especially meritorious service."

Sec. 18. Title VI of such Act is amended by inserting after section 625 the following new section and the heading thereto:

"RELATIONSHIP BETWEEN PROMOTIONS AND FUNCTIONAL AND GEOGRAPHIC AREA SPECIALIZATION"

"Sec. 626. The achievement of the objectives of this Act requires increasing numbers of Foreign Service officers to acquire functional and geographic area specializations and to pursue such specializations for a substantial part of their careers. Such specialization shall not in any way inhibit or prejudice the orderly advancement through class 1 of any such officer in the Foreign Service."

Sec. 19. The heading "PART D—SEPARATION OF FOREIGN SERVICE OFFICERS FROM THE SERVICE" under title VI of such Act is amended to read as follows: "PART D—SEPARATION OF OFFICERS AND EMPLOYEES FROM THE SERVICE".

Sec. 20. Section 631 of such Act and the heading to such section are amended to read as follows:

"FOREIGN SERVICE OFFICERS WHO ARE CAREER AMBASSADORS OR CAREER MINISTERS"

"Sec. 631. Any Foreign Service officer who is a career ambassador or a career minister, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, shall upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service."

Sec. 21. Section 632 of such Act and the heading to such section are amended to read as follows:

"PARTICIPANTS IN THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM WHO ARE NOT CAREER AMBASSADORS OR CAREER MINISTERS"

"Sec. 632. Any participant in the Foreign Service Retirement and Disability System, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador or a career minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such participant's service for a period not to exceed five years."

Sec. 22. Subparagraphs (1) and (2) of paragraph (b) of section 634 of such Act are amended to read as follows:

"(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate,

payable without interest, from the Foreign Service Retirement and Disability Fund, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following: *Provided*, That in special cases, the Secretary may in his discretion accelerate or combine the installments; and

"(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), except that in lieu of such refund such officer, if he has at least five years of service credit toward retirement under the Foreign Service Retirement and Disability System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), may elect to receive retirement benefits on reaching the age of sixty in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 or 5 and who has elected to receive retirement benefits dies before reaching the age of sixty, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 6 or 7 and who has elected to receive retirement benefits dies before reaching the age of sixty, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), shall be paid in accordance with the provisions of section 841(b)."

Sec. 23. Section 635 of such Act and the heading to such section are amended to read as follows:

**"FOREIGN SERVICE OFFICERS RETIRED FROM
CLASS 7 OR 8**

"Sec. 635. Any Foreign Service officer in class 7 who is appointed under the provisions of section 516(b) and any Foreign Service officer in class 8 shall occupy probationary status. The Secretary may terminate his service at any time."

Sec. 24. Section 636 of such Act is amended by striking out the phrase "Any Foreign Service officer" and inserting in lieu thereof the phrase "Any participant in the Foreign Service Retirement and Disability System."

Sec. 25. Section 641 of such Act is amended to read as follows:

"Sec. 641. All promotions of staff officers and employees to a higher class shall be made at a higher salary on the basis of performance and merit in accordance with such regulations as the Secretary may prescribe."

Sec. 26. Section 642 of such Act and the heading thereto are amended to read as follows:

**"WITHIN CLASS AND LONGEVITY SALARY
INCREASES**

"Sec. 642. (a) Under such regulations as the Secretary may prescribe, any staff officer or employee whose services meet the standards required for the efficient conduct of the work of the Service shall receive an increase in salary at periodic intervals to the next higher salary rate for the class in which he is serving. Without regard to any other law the Secretary is authorized to grant any such officer or employee additional increases in salary within the salary range established for the class in which he is serving, based upon specially meritorious service.

"(b) Under such regulations as the Secretary may prescribe, any staff officer or employee who has attained the maximum salary rate prescribed by section 415 for the class in which he is serving may be granted from time to time an additional salary increase beyond the maximum salary rate for his class in recognition of longevity or proficiency in the Service. Each such salary increase shall be equal to the maximum salary rate increase of the applicable class and no person shall receive more than four such salary increases while serving in the same class."

Sec. 27. Section 701 of such Act is amended by adding at the end thereof the following: "The Secretary may also provide to the extent that space is available therefor appropriate orientation and language training to spouses of officers and employees of the Government in anticipation of the assignment abroad of such officers and employees. Other agencies of the Government shall wherever practicable avoid duplicating the facilities of the Institute and the training provided by the Secretary at the Institute or elsewhere."

Sec. 28. (a) Paragraph (a) of section 704 of such Act is amended by striking out "1923" in the two places where it appears and inserting in lieu thereof "1949".

(b) Section 704 of such Act is amended by adding at the end of such section a new paragraph (e) which shall read as follows:

"(e) The Secretary may, under such regulations as he may prescribe, in the absence of suitably qualified United States citizens, employ persons who are not citizens of the United States by appointment to the staff of the Institute either on a full- or part-time basis or by contract for services in the United States or abroad at rates not in excess of those provided by the Classification Act of 1949, as amended (5 U.S.C. 1071)."

Sec. 29. (a) Section 803(b) (2) of such Act is amended to read as follows—

"(2) have paid into the Fund a special contribution for each year of such service in accordance with the provisions of section 852(b)."

(b) Section 803 is further amended by adding at the end thereof a new paragraph (c) which shall read as follows:

"(c) (1) In accordance with such regulations as the President may prescribe, any Foreign Service staff officer or employee appointed by the Secretary of State who has completed at least ten years of continuous service in the Department's Foreign Service, exclusive of military service, shall become a participant in the System and shall make a special contribution to the Fund in accordance with the provisions of section 852.

"(2) Any such officer or employee who, under the provisions of paragraph (c) (1) of this section, becomes a participant in the System, shall be mandatorily retired for age during the first year after the effective date of this paragraph if he attains age sixty-four or if he is over age sixty-four; during the second year at age sixty-three; during the third year at age sixty-two; during the fourth year at age sixty-one, and thereafter at age sixty.

"(3) Any officer or employee who becomes a participant in the System under the provisions of paragraph (c) (1) of this section who is age 57 or over on the effective date of this paragraph, may retire voluntarily at any time before mandatory retirement under paragraph (c) (2) of this section and receive retirement benefits under section 821."

Sec. 30. Section 804 of such Act is amended to read as follows:

"Sec. 804. (a) Annuitants shall be persons who are receiving annuities from the Fund and all persons, including surviving wives and husbands, widows, dependent widowers, children and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act, as amended, or in accordance with the provisions of section 5 of the Act of May 1, 1956 (70 Stat. 125).

"(b) When used in this title the term—

"(1) 'Widow' means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or is the mother of issue by such marriage.

"(2) 'Dependent widower' means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or is the father of issue by such marriage, and

who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

"(3) 'Child' means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant and his or her spouse the term includes (a) an adopted child, and (b) a step-child or recognized natural child who received more than one-half of his support from the participant."

Sec. 31. Section 811 of such Act is amended to read as follows:

"Sec. 811. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the Fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Department of State in the Treasury of the United States to the credit of the Fund.

"(b) Each participant shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary."

Sec. 32. (a) Paragraphs (a), (b), and (c) of section 821 of such Act are amended to read as follows:

"Sec. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the Fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 851, 852, and 853. However, the highest five years of service for which full contributions have been made to the Fund shall be used in computing the annuity of any participant who serves as chief of mission and whose continuity of service as such is interrupted prior to retirement by appointment or assignment to any other position determined by the Secretary to be of comparable importance. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

"(b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by 2½ per centum of any amount up to \$2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over \$2,400 so specified.

"(c) (1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to the smallest of: (i) 40 per centum of the annuitant's average basic

salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

"(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of: (i) 50 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$720; or (iii) \$2,160 divided by the number of children."

(b) Section 821 of such Act is further amended by adding new paragraphs (d), (e), and (f) which shall read as follows:

"(d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

"(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

"(f) At the time of retirement an unmarried participant may elect to receive a reduced annuity and to provide for an annuity equal to 50 per centum of the reduced annuity payable after his or her death to a beneficiary whose name shall be designated in writing to the Secretary. The annuity payable to a participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring participant, but such total reduction shall not exceed 40 per centum. No such election of a reduced annuity payable to a beneficiary shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable."

Sec. 33. (a) Paragraphs (a), (b), and (c) of section 831 of such Act are amended to read as follows:

"(a) Any participant who has five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with provisions of section 851 or 852 (a) (2), and who becomes totally disabled or incapacitated for useful and efficient service by reason of disease, illness, or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Secretary, be retired on an annuity computed as prescribed in section 821. If the disabled or incapacitated participant has less than twenty years of service credit toward his retirement under the System at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of service, but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and the mandatory retirement age applicable to his class in the Service.

"(b) In each case, the participant shall be given a physical examination by one or more duly qualified physicians or surgeons designated by the Secretary to conduct examinations, and disability shall be deter-

mined by the Secretary on the basis of the advice of such physicians or surgeons. Unless the disability is permanent, like examinations shall be made annually until the annuitant has reached the statutory mandatory retirement age for his class in the Service. If the Secretary determines, on the basis of the advice of one or more duly qualified physicians or surgeons conducting such examinations that an annuitant has recovered to the extent that he can return to duty, the annuitant may apply for reinstatement or reappointment in the Service within one year from the date his recovery is determined. Upon application the Secretary shall reinstate any such recovered disability annuitant in the class in which he was serving at time of retirement, or the Secretary may, taking into consideration the age, qualifications, and experience of such annuitant, and the present class of his contemporaries in the Service, appoint him or, in the case of an annuitant who is a former Foreign Service officer, recommend that the President appoint him, by and with the advice and consent of the Senate, to a class higher than the one in which he was serving prior to retirement. Payment of the annuity shall continue until a date six months after the date of the examination showing recovery or until the date of reinstatement or reappointment in the Service, whichever is earlier. Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Fund. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

"(c) If a recovered disability annuitant whose annuity is discontinued is for any reason not reinstated or reappointed in the Service, he shall be considered to have been separated within the meaning of section 834 as of the date he was retired for disability and he shall, after the discontinuance of the disability annuity, be entitled to the benefits of that section or of section 841(a) except that he may elect voluntary retirement in accordance with the provisions of section 636 if he can qualify under its provisions."

(b) Section 831 of such Act is further amended by adding new paragraphs (d) and (e) which shall read as follows:

"(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision of the Act of September 7, 1916, as amended, shall be so construed as to deny the right of any person to receive an annuity under this Act by reason of his own services and to receive concurrently any payment under such Act of September 7, 1916, as amended, by reason of the death of any other person.

"(e) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Secretary of Labor, shall be refunded to the Department of Labor, to be paid into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to the

Department of Labor the amount representing such computed payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such Fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Secretary of Labor shall determine, whenever he finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding."

Sec. 34. Section 832 of such Act is amended to read as follows:

"Sec. 832. (a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, his contributions to the Fund, with interest at the rates prescribed in sections 841(a) and 881(a), shall be paid in the order of precedence shown in section 841(b).

"(b) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a) (2), dies before separation or retirement from the Service and is survived by a widow or a dependent widower, as defined in section 804, such widow or dependent widower shall be entitled to an annuity equal to 50 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a). The annuity of such widow or dependent widower shall commence on the date following death of the participant and shall terminate upon death of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

"(c) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a) (2), dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c) (1). The child's annuity shall begin and be terminated in accordance with the provisions of section 821(e). Upon the death of the surviving wife or husband or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though such wife or husband or child had not survived the participant.

"(d) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852 (a) (2), dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c) (2). The child's annuity shall begin and terminate in accordance with the provisions of section 821(e). Upon termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though that child had never been entitled to the benefit.

"(e) If, at the time of his or her death, the participant had less than twenty years of service credit toward retirement under the System, the annuities payable in accordance with paragraph (b) of this section shall be computed in accordance with the provisions of section 821 on the assumption he or she has had twenty years of service, but the additional service credit that may accrue to a deceased participant under this provision shall in no case exceed the difference between his or her age on the date of death

1960

CONGRESSIONAL RECORD — SENATE

15961

and the mandatory retirement age applicable to his or her class in the Service. In all cases arising under paragraphs (b), (c), (d), or (e) of this section, it shall be assumed that the deceased participant was qualified for retirement on the date of his death."

Sec. 35. A new section 834 is hereby added to such Act as follows:

"DISCONTINUED SERVICE RETIREMENT

Sec. 834. (a) Any participant who voluntarily separates from the Service after obtaining at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), may, upon separation from the Service or at any time prior to becoming eligible for an annuity, elect to have his contributions to the Fund returned to him in accordance with the provisions of section 841, or to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821, commencing at the age of sixty years.

"(b) If a participant who has qualified in accordance with the provisions of paragraph (a) of this section to receive a deferred annuity commencing at the age of sixty dies before reaching the age of sixty his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881."

Sec. 36. Section 841 of such Act is amended to read as follows:

"Sec. 841. (a) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1960; semiannually as of December 31, 1960; annually thereafter as of December 31, and proportionately for the period served during the year of separation including all contributions made during or for such period, except as provided in section 881, shall be returned to him.

"(b) In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 881, with interest at 4 per centum per annum compounded annually as is provided in paragraph (a) of this section added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person:

"(1) To the beneficiary or beneficiaries designated by the retired participant in writing to the Secretary;

"(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

"(3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;

"(4) If none of the above, to the parents of such participant or the survivor of them;

"(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

"(6) If none of the above, to other next of kin of such participant as may be determined by the Secretary in his judgment to be legally entitled thereto.

"(c) No payment shall be made pursuant to paragraph (b)(6) of this section until after the expiration of thirty days from the

death of the retired participant or his surviving annuitant."

Sec. 37. Section 851 of such Act is amended to read as follows:

"Sec. 851. For the purposes of this title, the period of service of a participant shall be computed from the effective date of appointment as a Foreign Service officer, or, if appointed prior to July 1, 1924, as an officer or employee of the Diplomatic or Consular Service of the United States, or from the date he becomes a participant under the provisions of this Act, as amended, but all periods of separation from the Service and so much of any leaves of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended, and leaves of absence granted participants while performing active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States."

Sec. 38. (a) Paragraphs (a), (b), and (c) of section 852 of such Act are amended to read as follows:

"(a) A participant may, subject to the provisions of this section, include in his period of service—

"(1) civilian service in the executive, judicial, and legislative branches of the Federal Government and in the District of Columbia government, prior to becoming a participant; and

"(2) active and honorable military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States.

"(b) A person may obtain prior civilian service credit in accordance with the provisions of paragraph (a)(1) of this section by making a special contribution to the Fund equal to 5 per centum of his basic annual salary for each year of service for which credit is sought subsequent to July 1, 1924, and prior to the effective date of the Foreign Service Act Amendments of 1960, and at 6½ per centum thereafter with interest compounded annually at 4 per centum per annum to the date of payment. Any such person may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments.

"(c)(1) If an officer or employee under some other Government retirement system, becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

"(2) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by section 811 of this Act for contributions to the Fund.

"(3) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall receive credit for periods of service subsequent to July

1, 1924, for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the Fund in accordance with the provisions of paragraph (b) of this section."

(b) Section 852 of such Act is further amended by adding at the end thereof new paragraphs (d) and (e) which shall read as follows:

"(d) No participant may obtain prior civilian service credit toward retirement under the System for any period of civilian service on the basis of which he is receiving or will in the future be entitled to receive any annuity under another retirement system covering civilian personnel of the Government.

"(e) A participant may obtain prior military or naval service credit in accordance with the provisions of paragraph (a)(2) of this section by applying for it to the Secretary prior to retirement or separation from the Service. However, in the case of a participant who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of a participant who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is used in chapter 11 of title 38, United States Code), or is awarded under chapter 67 of title 10 of the United States Code, the period of such military or naval service shall be included. No contributions to the Fund shall be required in connection with military or naval service credited to a participant in accordance with the provisions of paragraph (a)(2) of this section."

Sec. 39. Such Act is amended by adding after section 854 a new section as follows:

"RECOMPUTATION OF ANNUITIES OF CERTAIN FORMER PARTICIPANTS

"Sec. 855. The annuity of each former participant under the System, who retired prior to July 28, 1956, and who at the time of his retirement had creditable service in excess of thirty years, shall be recomputed on the basis of actual years of creditable service not in excess of thirty-five years. Service which was not creditable under the System on the date a former participant retired, shall not be included as creditable service for the purpose of this recomputation. The annuities payable to such persons shall, when recomputed, be paid at the rates so determined, but no such recomputation or any other action taken pursuant to this section shall operate to reduce the rate of the annuity any such person is entitled to receive under the System."

Sec. 40. The heading "PART H—OFFICERS REINSTATED IN THE SERVICE" under title VIII of such Act is amended to read as follows: "PART H—ANNUITANTS RECALLED, REINSTATED OR REAPPOINTED IN THE SERVICE OR REEMPLOYED IN THE GOVERNMENT".

Sec. 41. Section 871 of such Act is amended and a heading is added thereto as follows:

"RECALL

"Sec. 871. Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) or reinstated or reappointed in accordance with the provisions of section 831(b) shall, while so serving, be entitled in lieu of his annuity to the full salary of the class in which he is serving. During such service, he shall make contributions to the Fund in accordance with the provisions of section 811. When he reverts to his retired status, his annuity

shall be determined anew in accordance with the provisions of section 831."

Sec. 42. A new section 872 is hereby added to such Act as follows:

"REEMPLOYMENT"

"Sec. 872. (a) Notwithstanding any other provision of law, any officer or employee of the Service, who has retired under this Act, as amended, and is receiving an annuity pursuant thereto, and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis, shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act, as amended, which when combined with such salary does not exceed during any calendar year the basic salary such officer or employee was entitled to receive under section 412 or 415 of the Act, as amended, on the date of his retirement from the Service. Any such reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

"(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto and shall cause to be paid, by transfer or otherwise, to the Department of State funds necessary to cover gross salary, employer contributions, and gross lump sum leave payment relating to the employment of the reemployed officer or employee. The Department of State shall make to and on behalf of the reemployed officer or employee payments to which he is entitled under the provisions of paragraph (a) of this section, and shall make those withholdings and deductions authorized and required by law.

"(c) In the event of any overpayment under this section the Secretary of State is authorized to withhold the amount of such overpayment from the salary payable to such reemployed officer or employee or from his annuity."

Sec. 43. (a) So much of paragraph (a) of section 881 of such Act as precedes subparagraph (1) thereof is amended to read as follows:

"(a) Any participant may, at his option and under such regulations as may be prescribed by the President, deposit additional sums in multiples of 1 per centum of his basic salary, but not in excess of 10 per centum of such salary, which amounts together with interest at 3 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1960; semiannually as of December 31, 1960; annually thereafter as of December 31, and proportionately for the period served during the year of his retirement, including all contributions made during or for such period, shall, at the date of his retirement and at his election, be—"

(b) Paragraph (c) of section 881 of such Act is amended by deleting the word "annually" and inserting in lieu thereof the phrase "as is provided in paragraph (a) of this section", and by changing the words "withdrawal from active service" at the end of such paragraph to "separation from the Service".

Sec. 44. Section 912 of such Act is amended by changing the heading thereto to read "LOAN OF HOUSEHOLD FURNISHINGS AND EQUIPMENT" and by inserting between the words "with household" the word "basic" and by inserting between the words "household equipment" the phrase "furnishings and".

Sec. 45. Section 913 of such Act and the heading thereto is amended to read as follows:

"TRANSPORTATION OF MOTOR VEHICLES"

"Sec. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle in any case in which he shall determine that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Secretary in accordance with this section."

Sec. 46. (a) Section 1021 of such Act is amended by inserting the phrase "the Department including" immediately prior to the phrase "the Service" wherever it appears in this section.

(b) Section 1021(a) is further amended by striking out the phrase "if recommended by the Director General" and inserting in lieu thereof the phrase "at the discretion of the Secretary".

Sec. 47. Section 11 of the Act of August 1, 1956 (70 Stat. 890), is hereby amended by inserting after the phrase "Government-owned vehicles" the phrase "or taxicabs", and by inserting after the phrase "public transportation facilities" the phrase "other than taxicabs".

Sec. 48. Paragraph (4) of section 104(a) of the Internal Revenue Code of 1954 (26 U.S.C. 104(a)(4)) (relating to the exclusion from gross income of compensation for injuries and sickness) is hereby amended to read as follows:

"(4) amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country or in the Coast and Geodetic Survey or the Public Health Service, or as a disability annuity payable under the provisions of section 831 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1081; 60 Stat. 1021)."

Sec. 49. The following headings and sections in the Foreign Service Act of 1946, as amended, are hereby repealed:

(1) Section 442 of such Act and the heading thereto.

(2) Section 525 of such Act and the heading thereto.

(3) Section 576 of such Act and the heading thereto.

(4) Section 577 of such Act and the heading thereto.

Sec. 50. Any person who occupies a position in the Department of State to which he was appointed by the President, by and with the advice and consent of the Senate, at the time that he was an active Foreign Service officer, and who while holding this position has retired for age as a Foreign Service officer, and

who on the effective date of this section, continues to hold such position is hereby reinstated, effective as of the date of such retirement, to active status as a Foreign Service officer and shall be entitled to all the provisions of the Foreign Service Act of 1946, as amended, as though he had never retired.

Sec. 51. Notwithstanding the provisions of this Act, existing rules and regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of the Foreign Service Act of 1946, as amended by this Act, unless clearly inconsistent with the provisions of this Act or the provisions so amended.

Sec. 52. Notwithstanding any other provisions of law, any Foreign Service staff officer who accepted an appointment as a Foreign Service Reserve officer in the Department of State during the period beginning September 1, 1958, and ending December 31, 1958, both dates inclusive, shall not be separated from the Foreign Service before the expiration of his original appointment as a Foreign Service Reserve officer, except as authorized by section 637 or 638 of the Foreign Service Act of 1946, as amended.

Sec. 53. (a) The provisions of this Act shall become effective as of the first day of the first pay period which begins more than thirty days after the date of enactment of this Act, except as provided in paragraph (b), (c), (d), and (e) of this section, and except as otherwise provided in the text of this Act.

(b)(1) The provisions of paragraph (c) (1) of section 803 of the Foreign Service Act of 1946, as amended by section 29(b) of this Act, shall become effective on the first day of the first month which begins more than one year after the date of enactment of this Act, except that any Foreign Service staff officer or employee, who at the time this Act becomes effective meets the requirements for participation in the Foreign Service Retirement and Disability System, may elect to become a participant in the System before the mandatory provisions become effective. Such Foreign Service staff officers and employees shall become participants effective on the first day of the second month following the date of their application for earlier participation.

(2) The provisions of paragraph (c)(2) of section 803 of the Foreign Service Act of 1946, as amended by section 29(b) of this Act, shall become effective on the first day of the first month which begins more than three years after the date of enactment of this Act.

(c) The amendment made by section 31 of this Act, with respect to a contribution to the Foreign Service Retirement and Disability Fund to be made by the Department, shall become effective July 1, 1961.

(d) The amendment made by section 39 of this Act shall take effect on the first day of the first month which begins more than thirty days after the date of enactment of this Act.

(e) The amendment made by section 48 of this Act shall be effective with respect to taxable years ending after the date of enactment of this Act.

Mr. MANSFIELD. Mr. President, I move that the Senate disagree to the amendment of the House, ask for a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FUL-

1960

CONGRESSIONAL RECORD — SENATE

15963

BRIGHT, Mr. SPARKMAN, Mr. MANSFIELD, Mr. HICKENLOOPER, and Mr. CAPEHART conferees on the part of the Senate.

SOCIAL SECURITY AMENDMENTS OF 1960

The Senate resumed the consideration of the bill (H.R. 12560), the Social Security Amendments of 1960.

Mr. ANDERSON. Mr. President, I yield 10 minutes to the able senior Senator from Michigan [Mr. McNAMARA], who is a leader in the field of care for the aged, and who has the respect of all of us.

Mr. McNAMARA. Mr. President, I thank the distinguished Senator from New Mexico.

Much has been said in the past few days about the estimated cost to individuals under the social security approach in order to help solve the problems of medical care for the aged.

Strangely, those who would pay the cost are strongest for the social security approach to the problem before the Senate. If we analyze the subject, it is not hard to understand why. The participant would pay one quarter of 1 percent of \$4,800 per year, which I understand is about \$12. Twelve dollars a year would represent less than the cost of a pack of cigarettes a week.

The working people of this country, who are now covered by social security, believe that the program that has been offered in the bill, supplemented by the program embraced in the Anderson amendment, is well worth the cost to the individual.

The bill and the Anderson amendment would not only take care of those who are not covered by social security when their time to retire comes, but it would also help to take care of those who have been covered by social security and are now retired.

Certainly the plan is a bargain.

The charge of opponents of the Anderson amendment that the cost of one-quarter of 1 percent under the social security system approach is of alarming concern to the working people of this country is a gross exaggeration, I am sure.

I repeat that it would cost the individual less than the cost of a pack of cigarettes a week to provide the proposed insurance, not only for himself, but for those who are now retired and were formerly covered under the social security system.

The subcommittee of the Committee on Labor and Public Welfare which is charged with carrying on studies of the health problems of the aged, as well as many other problems of the aged, in the past 18 months has traveled throughout the country and has held a series of hearings in Washington. The members of the committee then took to the road and heard the testimony of hundreds of older people themselves.

Everywhere we went outside Washington we devoted part of our hearings to direct testimony from older folks themselves. They had an opportunity to be heard; consequently we know their problems firsthand.

We found that the greatest mental anguish of older folks is caused by worry over health and the high cost of health care in declining years. This is their No. 1 problem. There are many other problems, but this is the one with which we in the Senate are concerned at this time. Everywhere we went that point was emphasized. The aged want medical costs paid for, or to have the assurance that they will be paid for if they run into a serious illness that requires hospitalization.

Mr. RANDOLPH. Will the Senator yield?

Mr. McNAMARA. I am happy to yield to the distinguished Senator from West Virginia, who traveled with the subcommittee around the country, and who was probably our most active member. It was certainly good to have him on these assignments. His great interest in the subject has been most helpful to the entire committee and the staff.

Mr. RANDOLPH. I thank my colleague from Michigan. I will not labor the Record on the particular point which is being discussed by the Senator from Michigan, who is not only a student, but an expert in this field. I use the word "expert" advisedly.

I believe it is important that the Record show that prior to the vote on the Javits amendment, it was pointed out in the hearings which were held throughout the country that there was practically unanimous approval of the program which would place the responsibility for medical care within the framework of our social security system. That information was brought to us by persons who are themselves authorities in this field, and who came before the subcommittee to testify on the problems of the aged and aging.

Also I wish to reinforce the statement of the Senator from Michigan, chairman of the subcommittee, with respect to the anguish and the concern, regarding medical costs of the aged of our country, which was the paramount problem presented in all the hearings.

I again commend our subcommittee chairman for his intense interest in this subject and his enlightened thinking. We oppose the medieval concept of charity, but would make workable a plan where the employer and the employee would assume the necessary costs. In the twilight years of their lives I want our aged, though they walk the earth with slow and measured steps—to take them with dignity.

I believe the editorial approval of the social security framework within which to begin a medical care program, as advocated in the Charleston, W. Va. Gazette of yesterday, is valid. Our State's largest newspaper in circulation and geographical coverage said:

As many Republican editorialists are gleefully noting these days there is a split in the Democratic Party on certain issues. The social security bill with respect to a decent, adequate medical care and hospitalization program for the aged is a perfect example.

At their convention in Los Angeles the Democratic delegates adopted a program to be implemented through the regular social security processes which have over the years proved feasible and fiscally sound in the

handling and distribution of other welfare programs. The Democratic nominees for President and Vice President—Senator Jack F. KENNEDY and Senator LYNDON B. JOHNSON—are supporting the action taken at the convention.

The Eisenhower administration also has a program to help our senior citizens. Coverage is limited, and payment will be dependent upon State participation, because the Federal and State Governments are to share costs. Incidentally, speaking of splits, Gov. Nelson A. Rockefeller, the GOP Governor of New York, has denounced the subsidy proposals of the administration plan as "fiscal irresponsibility."

On return to Washington after the conventions, the Senate Finance Committee, controlled by southern Democrats and conservative Republicans, scrapped the program overwhelmingly endorsed at Los Angeles and voted out the administration measure. KENNEDY and JOHNSON through use of amendments are vowing an all-out fight to rescue their bill, but odds admittedly are against them.

This, then, is what is causing joy in Republican circles—the prospects of a bitter struggle between conservative and liberal Democrats and eventual defeat to the party's leaders immediately before they take their presidential campaign to the American people.

As we see it, there is only one fly in the GOP ointment—the voters and their right to speak out on November 8. Should KENNEDY lose his fight, he must appeal to the electorate on this issue, for there is no comparison between the two measures. The Democratic bill will provide the medical care that is needed. The administration plan is a sham and plays directly into the hands of the American Medical Association, which has fought the whole idea of medical care for the aged from its inception.

"Our older people," KENNEDY has said, "do not want charity. They do not deserve to be treated like charity cases. They should be eligible for health benefits the way they are eligible for retirement benefits—as a right they have earned."

Defeat of the liberal Democratic bill to protect our senior citizens in times of sickness will provide KENNEDY with dramatic and forceful ammunition in the campaign ahead—just the sort of human issue that could snatch victory from defeat.

I ask unanimous consent to place, at this point in my remarks, the following telegram.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

HON. JENNINGS RANDOLPH,
U.S. Senator,
Senate Office Building, Washington, D.C.:

On behalf of over 2,400 registered professional nurse members of the West Virginia Nurses Association, Inc., I urge your support of the extension and improvement of the contributory social insurance to include health insurance for beneficiaries of old age, survivors and disability insurance and nursing service, including nursing care in the home, as a benefit of any prepaid health insurance program.

MARGARET A. FABRY,
Associate Executive Director, West Virginia Nurses Association, Charleston, W. Va.

Mr. McNAMARA. I thank the Senator from West Virginia. His remarks indicate his enthusiasm for the program.

I should like to point out some of the conclusions we reached after the study that took place throughout the country.

The first conclusion was that the aged have high potential and actual disability and heavy costs of medical care.

Second, the aged, especially the retired, have markedly reduced incomes and limited liquid assets which are not replenishable.

Third, private insurance policies cannot meet their needs, either in terms of costs or benefits.

Fourth, the aged should not be required to undergo the humiliation of meeting medical costs through the charity approach.

Fifth, the aged and the aging prefer to obtain medical benefits through an insurance system to which they themselves contribute and receive benefits as a matter of right.

The system of OASDI now covers 9 out of 10 working Americans. It has been tested by experience. It is the efficient, effective method, and should be extended to include the financing of the basic medical needs of the aged.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to my colleague.

Mr. CLARK. I should like to buttress what my friend from Michigan just told the Senate about the conclusions of the Special Committee on the Aged and Aging of which he has been the very able chairman.

I had the honor of serving on that committee and to participate in some of the hearings and deliberations of the committee. I had occasion to hold a hearing in Pittsburgh, in my State, slightly over a year ago, which was absolutely swarming with elderly citizens, demanding the social security approach to the health and elderly problem. I do not have much doubt that the findings of our committee, which have been stated by the Senator from Michigan, are amply and overwhelmingly supported by the testimony which I heard.

In my judgment, the so-called survey made by a couple of people from Emory University, in Atlanta, Ga., purporting to show that the elderly people do not want aid for their health problems, and do not want aid through social security, is completely unscientific and absolutely wrong, and should be given no credence by Senators as they make up their minds on how to vote on the pending amendment.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. ANDERSON. I yield 5 additional minutes to the Senator from Michigan.

Mr. McNAMARA. The Senator from Pennsylvania has made a fine contribution to the debate. I thank him for it and for his contribution in the hearings and in the preparation of the report.

I was discussing the conclusions we had reached following the hearings. Certainly, the senior citizens with whom we talked throughout the country, as well as the children of those senior citizens, indicated over and over again that they do not want charity, but want to live their declining years in dignity, as Americans are entitled to live.

The proposal to make paupers out of people because they are what is called

medically indigent is a step backward. It is really a step back toward the poorhouse. We got rid of poorhouses generally in this country, starting in the 1900's. That is what the old folks had to look forward to—"over the hill to the poorhouse." That was a threat to society and a weakness of our social system in those days. We have gone a long way since then under our present social security law.

Now it is proposed to make paupers out of people before they will get any medical assistance in their declining years. That is a step backward from the advances we have made since the days of "over the hill to the poorhouse."

I certainly hope that this country, in 1960, will be more concerned with the human dignity of elderly Americans, who have made a great contribution to our economic structure as well as to our social heritage, and will treat them better than has been proposed by the opponents of the Anderson amendment.

I support the Anderson amendment, and I support the social security approach. In so doing I am convinced that I am following the dictates of the people we came in contact with throughout the country, not only the older people and the retired people, but also the children and grandchildren of these people, who at last are conscious of the fact that it can happen to them too.

I yield back the remainder of my time.

Mr. DIRKSEN. Mr. President, I yield 15 minutes to the distinguished Senator from Utah.

Mr. BENNETT. Mr. President, I have listened with interest to my colleagues discussing the merits of the various approaches to solve the medical care problems of our aged. It is my intention to confine my remarks to the bill which has been favorably reported to the floor by the Senate Finance Committee and the substitute proposal offered by the Senator from New Mexico [Mr. ANDERSON]. However, before taking up the comparison of these two bills, I would like to discuss the implications of a word which has been thrown around freely by those who oppose the Senate Finance Committee bill. That word is "need."

Essentially, we should approach this problem from two points of view—national need—and individual need. National need is, of course, the sum total of individual needs, as further modified by measurement of the extent to which they are not now being met by existing programs to care for medical problems of the aged.

There has been no real showing of the existence of a pressing national unmet need that demands immediate action.

There are 16 million persons in the United States 65 or over, only one-half million of whom can be classified as suffering from chronic illness. According to the Health Insurance Association of America, 49 percent of persons 65 or over are now covered by health and medical insurance.

Unquestionably there is a small segment of the aged who are chronically ill who do not have the financial means to meet high medical expenses. This

group can and should be provided for and their needs will be met under the bill reported by the Senate Finance Committee.

NO POPULAR GROUND SWELL

During the months in which this legislation has been pending before Congress, I have received from constituents in Utah only a handful of what I would consider personally written letters urging the adoption of a medical care program tied to social security. It is true that I have received several hundred identical form letters inspired by labor unions and other pressure groups urging approval of the Forand approach to this problem. I have also received a great many postal cards, all from the State of Michigan, with a caption "Cast Me Not Off." I suspect these have been inspired by some pressure group, and while not explicit they infer preference for a medical care bill tied to the social security program. Generally, however, I have not received mail in sufficient volume to indicate there is any great ground swell demanding the enactment of a particular medical care program. In fact, most of the mail received from my State has indicated just the opposite—that there is no emergency which would require a crash program in this area.

Perhaps my own State of Utah, because of its historical development, has largely taken care of the needs of its aged population in an exemplary manner. This has been accomplished not only through the State health and welfare department, but through our individual families, and through the very effective and extensive welfare program of the Mormon Church.

One of the most recent and comprehensive studies to be made on the medical needs of the Nation was recently completed by Drs. James W. Wiggins and Helmut Schoeck. Dr. Wiggins presented a paper entitled "A Profile of the Aging" to the Fifth Congress of the International Association of Gerontology, at San Francisco, Calif., on August 11. The following pertinent facts have been extracted from the Wiggins report:

Nine of every ten older persons report they have no unfilled medical needs.

Ninety percent of those 65 or over reported they enjoy good or fair health.

Sixty-eight percent said they could pay for a medical emergency out of their own means.

Half of the persons queried reported income in excess of \$2,000 per year; one out of 20 had income in excess of \$10,000.

Most of the aged reported net worth in excess of \$10,000.

Sixty percent did not think a new Federal program could do anything for them personally.

Majority indicated life was much easier for them than for their aged parents.

Ninety percent could think of no medical needs that were not being taken care of.

Eighty percent are members of a church. If special care was needed from outside the family, twice as many elderly Americans would prefer to get such assistance from their church rather than from the Government.

Much of what has been reported in the past about the health and welfare of older persons is based upon inaccurate data derived from the experiences of a generation ago or from the studies of the hospitalized or chronically dependent.